

**Status of Implementation of State Tax Compliance Initiative Recommendations
November 30, 2004**

CS=Corporate Shelter Recommendation, PE=Pass-Through Entity Recommendation
ST=Sales and Use Tax Recommendation

<i>Measure</i>	<i>Committee Or Task Force</i>	<i>Staffing (MTC or State)</i>	<i>Status</i>
CS 1: Combined Reporting	Uniformity Comm., Income Tax Subcommittee High Priority	Shirley Sicilian	Uniformity Committee completed draft. (Joyce/Finnigan issue pending.) Executive Committee referred to public hearing, 11/11/04.
CS 2: Expense Disallowance Statute	Uniformity Comm., through a special drafting group of interested state personnel.	Frank Katz with Michael Fatale (MA), Joe Garrett (AL), Brian McCann (NY) & Wood Miller (MO)	Drafting in progress.
CS 3: UDITPA Overhaul	Executive Committee	René Blocker for drafting of white paper	Draft of white paper 11/11/04.
CS 4: Throwback Rules	a) Drafting to Uniformity Comm., in conjunction with combined reporting draft. b) Information sharing issues to Information Sharing and Compliance Task Force.	b) René Blocker	a) Issue pending with Uniformity Committee.

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CS 5: Disclosure of Inconsistent Filing Positions (Note: this item is being worked on with Item CS 6 below—Listed Transactions)	a) Special drafting group and Uniformity Committee. b) Information sharing to Information Sharing and Enforcement Task Force.	a) Same group as for CS 6—Listed Transactions Legislation. b) René Blocker.	a) Drafting underway in conjunction with listed transactions legislation (CS 6). b) FTA/MTC Information Sharing and Compliance Task Force being formed.
CS 6: Tax Sheltering and Listed Transactions	a) Special drafting group and Uniformity Committee. High Priority. b) Tax shelter assistance and follow up to Information Sharing and Enforcement Task Force.	a) Shirley Sicilian, Ben Miller (CA), Caglar Caglayan (CA), Debbie Petersen (CA), Mike Brownell (CA), Deborah Mayer (IL), Brian Stocker (IL), Paul Caselton (IL), Frank Hales (UT) and IRS staff. b) René Blocker	Drafting underway with in conjunction with reporting of inconsistent positions (CS 5). b) FTA/MTC Information Sharing and Compliance Task Force being formed.
CS 7: Enforce Doing Business Statutes	Executive Committee	Not assigned	Implementation needs discussion.
CS 8: Proactive Role on Federal Legislation	Executive Committee	Not assigned	Implementation needs discussion.
CS 9: Enhance Exchange of Information	Proposed Information Sharing and Enforcement Task Force	René Blocker	FTA/MTC Information Sharing and Compliance Task Force being formed.
PE A: Publicize MTC Uniformity Proposal on Income Reporting	Executive Committee	Not assigned	Implementation needs discussion.

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PE B: Database on Pass-Through Entity Ownership	Information Sharing and Enforcement Task Force	René Blocker	FTA/MTC Information Sharing and Compliance Task Force being formed.
PE C: Educational Resources	Pass-Through Education and Training Task Force	Frank Katz and Ken Beier	Task Force being formed from representatives from Standing Committees.
PE D: Liaison Group with IRS	Executive Committee. Reach out to all states and FTA.	Réne Blocker	IRS notified of interest. Volunteers needed.
ST 1: Use Tax Template for Tax Practitioners 1 st template focuses on voluntary disclosure, then use taxes. 2 nd template focuses on use taxes, then voluntary disclosure.	Sales and Use Tax Compliance Work Group	Missouri staff: Jack Wright, Dave Zanone and Chris Laughlin.	1 st template draft prepared & referred to Nexus Committee, which is working on some changes in 1 st template. 2 nd template draft prepared.
ST 2: Voluntary Disclosure Program Awareness	Nexus Committee with the support of a special work group reaching beyond nexus discovery and enforcement staff.	Nexus program staff	Nexus Committee discussing. Assistance of public information staff needed.
ST 3: Uniform Affiliate Nexus Statute	Uniformity Committee. High Priority.	Frank Katz	Uniformity Committee completed draft. Executive Committee referred to public hearing, 11/11/04

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ST 4: Exchange of Information—Non-filers with Nexus	Information Sharing and Enforcement Task Force	René Blocker, Sheldon Laskin, Naresh Verma and Database Advisory Committee	FTA/MTC Information Sharing and Compliance Task Force being formed.
ST 5: Review and Reissue Policy Statement 02-01	MTC Resolutions Committee	Roxanne Bland	Completed.